



**VERMONT PENSION INVESTMENT COMMITTEE  
AUGUST 23, 2016**

**DRAFT; NOT YET APPROVED BY COMMITTEE**

**VPIC Members Present:**

TOM GOLONKA, CHAIR

BETH PEARCE, VICE-CHAIR, Vermont State Treasurer

VAUGHN ALTEMUS, Governor's Delegate, term expiring June 30, 2018

KAREN PAUL, Governor's Delegate, term expiring June 30, 2018

ROBERT HOOPER, VSERS Representative, term expiring June 30, 2020

PETER AMONS, VMERS Representative, term expiring June 30, 2018

**VPIC Member(s) Absent:**

JOSEPH MACKEY, VSTRS Representative, term expiring June 30, 2019

**VPIC Alternate Members Present:**

JEFF BRIGGS, VSERS *Alternate*, term expiring June 30, 2020

LINDA DELIDUKA, VSTRS *Alternate*, term expiring June 30, 2019

DAVID STARR, Governor's Delegate *Alternate*, term expiring June 30, 2016

STEVE JEFFREY, VMERS *Alternate*, term expiring June 30, 2018

**Also attending:**

Matt Considine, CFA, Director of Investments

Katie Green, Investments Manager

Jesse Moorman, Attorney General's Office

Doug Moseley, Matt Ritter, and Chris Levell, NEPC LLC

Chris Powers, RBC

Austin Davis, 350.org

Robb Kidd, Sierra Club

**CALL TO ORDER:**

The Chair, called the Tuesday, August 23<sup>rd</sup> meeting to order at 8:30 am, which was held in the 4<sup>th</sup> Floor Governor's Conference Room, 109 State Street, Montpelier, VT.

**ITEM 1:      Agenda Approval and Announcements**

The Chair, reviewed the agenda with the Committee and asked if any members of the Committee would like to add or amend any agenda items.

**On a motion by Karen Paul, seconded by Vaughn Altemus, the Committee unanimously approved the agenda as written.**

**ITEM 2:      Consent Agenda**

The Chair, indicated the items in the Consent Agenda today were the minutes, and routine contract amendments and renewals.

**On a motion by Karen Paul, seconded by Beth Pearce, the Committee unanimously approved the consent agenda as written.**

**ITEM 3:      Discussion Items and Updates**

- **Vermont State Treasurer's Update**

The Treasurer, Ms. Pearce, presented the Treasurer's Report to the Committee.

- **NEPC Investment Manager Update**

NEPC updated the Committee on personnel changes at PIMCO.

**ITEM 4:      VPIC ESG Sub-Committee Update**

Ms. Pearce updated the Committee on the Sub-Committee's progress and process going forward. The Treasurer emphasized that the process is open to the public and their comment and participation is welcomed. All materials presented at the Sub-Committee meetings is posted on the Treasurer's website along with recordings of the meetings. Karen Paul indicated that she had stepped down as a member of the Sub-Committee and Vaughn Altemus had been appointed to the Sub-Committee.

**ITEM 5:      Director of Investments Report**

Mr. Considine reviewed the Director of Investments Report with the Board. He outlined the Portfolio Asset Allocation table and notified the board that, as of last month, the VPIC composite AUM was at \$3.7 billion and the allocations were in-line with their target allocations. Mr. Considine provided an update to the Committee on investment managers and meetings Staff conducted since the last meeting and on administrative issues of which the Board needed to be aware.

**ITEM 6:      Portfolio Investment Review FY4Q**

Mr. Moseley reviewed with the Committee the *VPIC Fourth Quarter Preliminary Performance Flash* document. Both Mr. Moseley and Mr. Levell responded to the questions posed by the Committee.

**ITEM 7: Fixed Income Review**

NEPC reviewed with the Committee the *VPIC Fixed Income Review*. NEPC responded to the questions posed by the Committee members.

**ITEM 8: Real Estate Product Discussion**

NEPC reviewed with the Committee the *VPIC Real Estate Search* document. NEPC responded to the questions posed by the Committee members.

**On a motion by Beth Pearce, seconded by Linda Deliduka, the Committee unanimously approved a motion to allocate \$15 million to the Siguler Guff's DREOF II Co-Investment Fund (T), LP.**

**ITEM 9: NEPC/Staff Deliverables for Upcoming Meetings**

- NEPC will coordinate with Landmark and Crow to present at the October VPIC meeting.
- NEPC will conduct a search for a Non-US Opportunistic/Value-Add investment opportunity for the Board to evaluate at the October VPIC meeting.
- The Committee requested that Staff work with NEPC to develop a review analyzing various fixed income allocation options that would best fit the three sub-plans' asset/liability profiles. The Committee requested that the review include a joint recommendation by Staff and NEPC for an allocation to fixed income specific to each sub-plan, which could possibly take the form of a long term glide path. The Committee requested this review be presented during the January – March VPIC meetings addressing the VPIC asset allocation.

**ITEM 10: Future Agenda Topics/New or Other Business**

The Committee eliminated from the Future Meeting's agenda the "Vote to Confirm Actuarial Rate of Return", since the vote took place last year when an experience study was conducted. An experience study is conducted every five years or as necessary and a vote is only warranted after one such study occurs. The Committee moved the "Diversification Analysis" and "Review Individual Boards' Policy Allocations" to after the Staff/NEPC review was presented to the Board during the VPIC asset allocation discussion that takes place during the January – March VPIC meetings.

**Item 11: Public Comment**

A representative from RBC, Chris Powers, introduced himself.

**Item 12:      Adjournment**

**On a motion by Beth Pearce, seconded by Jeff Briggs, the Committee unanimously approved a motion adjourn the meeting at 1:00 PM.**

Respectfully submitted,

**Investments Staff**

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